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PERIL TO PHILIPPINE INDUSTRIES FORESEEN IF ADVANTAGES OF FREE TRADE ARE LOST

Because of the free trade relations existing between the Philippines and the United States, the chief industries from which the Islands derive their biggest revenues—sugar and Manila hemp—are in a flourishing condition. It has been stated that these, and lesser industries, might be ruined if the products were not permitted to enter the United States free from duty.

In a recent editorial, the Washington, D. C., Post, discusses the situation, as follows:

"We are not the least bit surprised to find Mr. Roxas, the Filipino separatist leader, suggesting that if the Philippines were cut quite loose from the United States and made an independent republic, there would be no need of changing the commercial relations which now exist between the two countries. There is, he says, no legal or political reason to prevent the United States from entering into an agreement with the Philippines providing for reciprocity and free trade.

Would Regard Islands as Foreign Country

"So far as a legal obstacle to that course is concerned, he is probably right. We know of no legal obstacle to our adopting free trade with any and every nation under the sun. But that there is no political obstacle, we cannot so readily concede. There is a strong political reason why we should not adopt free trade, to wit, the will of the American people, who believe in the protective tariff system and purpose to maintain it. And in maintaining that principle, all foreign countries look pretty much alike to them; and after separation the Philippines would be just

BANKING GAINS

The combined resources of all banks and trust companies operating in the Philippines increased by \$5,927,260 in 1923. The total for 1922 was \$168,101,780 and for 1923, \$169,028,990. Volume of cash on hand increased by \$3,725,187, and deposits by \$3,538,148.

as much a foreign country as Japan or Great Britain.

"The reference of Mr. Roxas to the United States as being desirous of doing her utmost for the welfare of the Philippines is quite pertinent now, with the Islands a part of our possessions. We are desirous of doing our utmost for them, and without boasting we may say that we believe that we have done more for them than any other country in the world ever did or dreamed of doing for such a possession.

Islands Favored at Expense of Domestic Interests

"We are doing a great deal for them now, even at the expense of some of our domestic interests. But it will be well for Mr. Roxas and his colleagues to understand that all that would cease the moment the Philippines were separated from us. We should then have no more interest in their welfare than in that of any other alien land, and we certainly should not seek to promote their welfare at the expense of our own domestic industries. The Filipinos may be quite sure that any of their products which compete with our own would have to pay full tariff rates, just the same

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INCREASE OF PRODUCTS FOR EXPORT CAUSES DOMESTIC SHORTAGE

Increased production in the Philippines of important products for export, such as hemp, coconut and sugar, has brought about an alarming decrease in the production of certain food products for home consumption, according to the Bureau of Commerce and Industry. During the last few years, the amount of foodstuffs imported is surprisingly large for such a productive country as the Philippines.

Among the principal food imports are many which may well be produced in the Islands. Although there are good facilities for rice cultivation, large quantities are being imported every year, purchases of \$3,701,430 being made last year.

Fish is another imported article which could be eliminated from the import list if scientific deepsea fishing methods were adopted. In 1923, nearly \$2,000,000 worth of canned and dried fish were imported. Fishing should be, because of the topography of the Islands, one of the most profitable industries.

Temperate zone articles such as wheat flour and dairy products doubtless always will be imported. Steps are being taken to minimize the importation of meat products by raising cattle in the Philippines.

The country receives great quantities of eggs from China, but conditions are favorable for the development of the Philippine egg industry on a big scale. Coffee, cacao, and certain varieties of fruits and nuts now imported could be produced in the Islands in sufficient quantities for home consumption if business men would only devote more attention to them, it is stated.

VIEWS OF AMERICAN BUSINESS LEADER AFTER VISIT TO THE PHILIPPINES

By GEORGE S. PARKER

Mr. Parker is president of a company which manufactures an internationally known product. His observations will be valuable to all who are interested in our country's commercial future in the Far East.—Editor.

There are not a few people in the United States whose vision is bounded by the limitations of their own immediate vicinity. To them, the world is the restricted area in which they live, move and have their being. Statements made in regard to China, Singapore or Ceylon mean but little to them. So it is with respect to the Philippines. Until two and a half years ago, I confess I belonged to this same class of people.

Since seeing the Philippines, however, my opinion has changed very greatly concerning this wonderful group of 7,000 or more Islands. I discovered, for one thing, that the Filipinos are a mixture of various races—Mongol, Malay, Indonesian and Caucasian—and that the Philippines have been inhabited by this sort of a population for several hundred years.

Philippines Have Had Various Regimes

At one time the Philippines were under the dominion of China, for a short time under English rule, and still again under Mohammedan Moro domination; then for a period of three hundred and fifty years under Spain, and now under the dominion of the United States.

Under the direction of the United States, the Filipino people have made more progress in sanitation, in education and modern ways of living than they had made in three centuries preceding American sovereignty.

From my observations during the two trips I have made to the Philippines, I do not think there is any crying demand, so to speak, for separation from the United States.

Majority Satisfied With Present Conditions

Politicians? Yes! They have set up a hue and cry, but aside from those who earn their living from this cry—from my own observations and from careful inquiry—I could not find the common people otherwise than quite satisfied with present conditions. Why should they not be? Under the direc-

tion of the United States Government the Philippines have one of the best executives in the person of General Wood that could be secured anywhere. General Wood is a real executive, a man of vision, sympathetic and, I believe, wants to do everything that can be done that is for the good of the Philippines and the Filipino people.

I realize, however, the limitations of the Filipino people, their lack of experience in government, and the fact that they have no army, no navy, no means to protect themselves against aggressions of Asiatic nations or others.

Opportunity Is Now

The Filipinos right now have an opportunity such as they never have had in the history of their development, for the enjoyment of life, liberty and prosperity. Apparently, the more wonderful these assets become, the more the politicians cry for something else.

The United States with its navy and its army reaches out its protecting arm over the Philippines, so that now a Philippine resident gets all of the benefits of his neighbors on the mainland of the United States, but without heavy taxes.

Are there any so blind as those who will not see?

THE PUBLIC DEBT

The actual public debt of the Philippine government, according to the insular treasurer in his 1923 annual report just issued, is \$76,798,000, of which \$67,250,000 is the bonded indebtedness of the insular government.

Peril to Industries Foreseen

(Continued from page 1)

as those from any other country, before they could get into our markets.

Can't Eat Cake and Have it Too

"We are, we say, not at all surprised at Mr. Roxas's expressing such ideas. They are, we surmise, only what all the separationists have had in mind all along. We presume that if the point were raised, he would as confidently say that he saw no reason why the diplomatic and military protection which the United States now exercises over the Islands should not be continued, unabated and unimpaired, after the Islands became independent. There are apparently some things which he does not see, but which the people of the United States see with uncommon clearness."

BIG EXPORT PROFITS IN PHILIPPINES, BUT INVESTMENT LAGS

During the eighteen months previous to last July 1, there was an excess of exports from the Philippines over imports of \$59,000,000. Island authorities calculate the profit upon the \$195,500,000 of exports last year, because of good prices, at \$37,500,000.

Almost all of this profit is due to the exceptionally favorable free trade relations between the United States and the Philippines. Practically one-half of this profit is reflected in an increase in the apparent currency, on the assumption that the same amount is being hoarded today as on February 3, 1923.

Reinvestment Hesitates

Those who are in a position to know estimate that \$5,000,000 have been sent out of the Philippines during the last eighteen months for investment in nearby countries, while large amounts have been forwarded to Saigon for the purchase of rice. It is quite likely, authorities say, that the liquidations of some internal debts may have remained abroad, as the local political uncertainties militate against reinvestment of profits in the Philippines.

Whether or not there is a direct connection between the fluctuation of circulation and the investment of profits in the Islands' business enterprises is a debatable question.

LUMBER MARKETS ACTIVE

Philippine lumber and timber are forging ahead at a rapid pace in foreign markets with signs of greater development in the near future, according to the Bureau of Commerce and Industry. Lumber and timber exports to Japan increased 15 per cent over 1922; about 30 per cent to China and 140 per cent to the United States.

It is estimated that the supply of Philippine mahogany is 192,000,000,000 board feet, and of molave timber 7,680,000,000 board feet. Rattan is another of the valuable forest products.

GOLD IN THE ISLANDS

The Director of Commerce and Industry in the Philippines has been requested to give publicity to the discovery of gold, iron and other mineral deposits in the Batanes Islands. Development of these resources is requested by the provincial board of the Batanes.

